

Public-private partnership and dialogue in policy formulation and implementation

Regular, high-level public-private dialogues are essential to ensuring harmonized priorities between the private sector and government, as well as providing a platform for ensuring that these reform measures are enacted quickly. While the Legislative-Executive Development Advisory Council (LEDAC) only met twice under the Aquino administration, both sides were innovative enough to implement consultative mechanisms between themselves and within their own spheres. Certainly, there is much space for improvement along this front, and it is worth noting that these public-private high-level dialogues have already been committed by the public sector to the Open Government Partnership. This report will trace the activities of the LEDAC from its only two meetings in this administration; the common legislative agenda (CLA) of the 15th and 16th Congresses; the dialogue mechanisms created by the House and the Senate, and the Philippine Business Groups and Joint Foreign Chambers; and the milestones achieved by such bodies.

LEDAC and the CLA

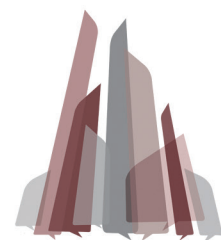
As mentioned, under President Aquino, there were only two meetings of the LEDAC, both occurring in 2011—February 28 and August 16. Intended to meet at least once every quarter, the LEDAC serves as the consultative and advisory body to the President¹ where members identify and align common priority measures requiring executive or legislative action.

The two LEDAC meetings listed 35 measures as its common legislative agenda (CLA),² with 17 measures³ acted upon in the 15th Congress (2010-2013). The rest, as in any other proposed bill, had to be re-filed during the next Congress. However, only one measure from the list was so far passed by the 16th Congress: RA 10667, Philippine Competition Act.

¹ RA 7640 (December 9, 1992), *An Act Constituting the Legislative-Executive Development Advisory Council*

² The *Fiscal Responsibility Bill* was part of the first LEDAC meeting, but was not present in the final list of 35 common legislative agenda items, which includes the additional measures from the second LEDAC meeting.

³ Amendments to the *Anti-Money Laundering Act* involved three separate pieces of legislation.



15th Congress Common Legislative Agenda

Measure	Status	Basis
CLIMATE CHANGE ADAPTATION AND MITIGATION		
Land Use Code	House-A3R; Senate-PIC	LEDAC 1
Water Sector Reform	House-PIC; Senate-PIC	LEDAC 1
Delineating specific forest limits	House-A3R; Senate-P2R	LEDAC 2
Imposing stiffer penalties for stealing or tampering government disaster risk reduction and preparedness equipment and facilities	RA 10344 (4 December 2012)	LEDAC 2
ECONOMIC DEVELOPMENT		
Competition Law	RA 10667 (21 July 2015)	LEDAC 1
PPP Act / Amend BOT Law	House-P3R; Senate-P2R	LEDAC 1
Rationalizing fiscal incentives	House-PIC; Senate-PIC	LEDAC 1
Data Privacy	RA 10173 (15 August 2012)	LEDAC 2
Granting broader protection for consumers	House-PIC; Senate-PIC	LEDAC 2
Reforming PTV 4	RA 10390 (14 March 2013)	LEDAC 2
Philippine Statistical System	RA 10625 (12 September 2013)	LEDAC 2
GOOD GOVERNANCE AND ANTI-CORRUPTION		
Amending the Anti-Money Laundering Act (AMLA)	RA 10167 (18 June 2012), Allowing ex parte bank inquiry RA 10365 (15 February 2013), Including casinos in the coverage RA 10168 (18 June 2012), Terrorist Financing Suppression Act	LEDAC 1
Amending Government Procurement Reform Act	House-PIC; Senate-PIC	LEDAC 1
Fiscal Responsibility Act	House-PIC; Senate-PIC	LEDAC 1
GOCC Governance Act	RA 10149 (6 June 2011)	LEDAC 1
Land Administration Reform Act	House-PIC; Senate-PIC	LEDAC 1
HUMAN DEVELOPMENT AND POVERTY REDUCTION		
Amending EPIRA	RA 10150 (21 June 2011), Extending the implementation of lifeline rate	LEDAC 1
Department of Housing and Urban Development	House-A3R; Senate-P2R	LEDAC 1
K+12	RA 10157 (20 January 2012)	LEDAC 1
Rationalizing nightwork prohibition for women workers	RA 10151 (21 June 2011)	LEDAC 1
Reorganizing the National Food Authority	House-PIC; Senate-PIC	LEDAC 1
Targeting strategy in identifying the poor (Universal healthcare coverage)	RA 10606 (19 June 2013)	LEDAC 1
Expanding the coverage of the Science and Technology Scholarship Program	RA 10612 (13 August 2013)	LEDAC 2

Providing additional benefits and protection to house helpers / Kasambahay Law	RA 10361 (18 January 2013)	LEDAC 2
Amending the Rural Electrification Program	RA 10531 (7 May 2013)	LEDAC 2
Restructuring excise tax on tobacco and alcohol	RA 10351 (19 December 2012)	LEDAC 2
Promoting balanced housing	Pending House ratification	LEDAC 2
Responsible Parenthood and Reproductive Health	RA 10354 (21 December 2012)	LEDAC 2
SECURITY, JUSTICE AND PEACE		
AFP Modernization Act	RA 10349 (11 December 2012)	LEDAC 1
Defining maritime zones	House-A3R; Senate-P2R	LEDAC 1
Establishing archipelagic sea lanes	House-A3R; Senate-P2R	LEDAC 1
National Defense Act	House-PIC; Senate-PIC	LEDAC 1
Strengthening witness protection program	House-PIC; Senate-PIC	LEDAC 1
Synchronizing ARMM elections	RA 10153 (30 June 2011)	LEDAC 1
Whistleblower Act	House-PIC; Senate-PIC	LEDAC 1
Amending Human Security Act	No bill filed	LEDAC 2

While the full LEDAC membership was not convened thereafter, the Council identified 16 priority measures as the CLA of the 16th Congress.⁴ Eight measures were carried over from the previous list, where only the Competition Law was passed.

From the new list, President Aquino also signed RA 10668, allowing foreign vessels to transport and co-load foreign cargos for domestic transshipment. Also near its passage is the amendment to the Right-of-Way Law, which was already approved by both Houses, and will be submitted to the Office of the President for his signature.

16th Congress Common Legislative Agenda

Measure	Status
Amending the BSP Charter	House-A3R; Senate-PIC
Amending the Cabotage Law	RA 10668 (21 July 2015)
Amending the Right-of-Way Law	For President’s signature
Bangsamoro Basic Law	House-P2R; Senate-P2R
Defining maritime zones*	House-A3R; Senate-P2R
Establishing archipelagic sea lanes*	House-A3R; Senate-P2R
Philippine Competition Act*	RA 10667 (21 July 2015)
Freedom of Information Act	House-P2R; Senate-A3R
Land Administration Reform Act*	House-PIC; Senate-PIC
Magna Carta of the Poor	House-A3R; Senate-PIC
National Land Use Act*	House-A3R; Senate-PIC
Protecting the rights of internally displaced persons	House-A3R; Senate-PIC

⁴LEDAC Secretariat. <http://ledac.neda.gov.ph/wp-content/uploads/2014/02/Accomplishment-Report-2014.pdf>

Measure	Status
Rationalizing fiscal incentives*	House-PIC; Senate-PIC
Rationalizing mining fiscal regime	House-PIC; Senate-PIC
Water Sector Reform*	House-PIC; Senate-PIC
Whistleblowers Act*	House-PIC; Senate-PIC

** part of the CLA of the 15th Congress*

PBG-JFC dialogues

Recognizing the need for better public-private coordination, the Philippine Business Groups, together with the Joint Foreign Chambers (PBG-JFC), held a series of consultations and submitted to the President, prior to his 2013 State of the Nation Address (SONA), a list of issues and proposed measures for consideration during the remainder of his term. In response, the letter was endorsed to the Economic Development Cluster of the Cabinet, where the different business groups and the pertinent government agencies conducted two meetings during the year with the following issues in the agenda.

PBG-JFC Issues and Recommendations, 2013

Recommendations	Status / Updates
1. Accelerate construction of transport infrastructure	<ul style="list-style-type: none"> • None of the original 10 PPP projects introduced in 2010 were completed as of publication. However, 6 of the 10 are under various stages of implementation. • Amendments to the Right-of-Way Law passed by both Houses; awaiting Presidential action • PPP Act pending in Congress
2. Address the high cost of logistics	<ul style="list-style-type: none"> • RA 10668 (21 July 2015), Allowing foreign vessels to transport and co-load foreign cargos for domestic transshipment
3. Promote an anti-trust and competition policy	<ul style="list-style-type: none"> • RA 10667 (21 July 2015), Philippine Competition Act • Officials of the Philippine Competition Commission appointed, headed by former NEDA Director General Arsenio Balisacan • Implementing rules and regulation for formulation and issuance
4. Address smuggling and improve trade facilitation	<ul style="list-style-type: none"> • Customs Modernization and Tariff Act (CMTA) passed by both Houses; awaiting Presidential action
5. Rationalize fiscal incentives	<ul style="list-style-type: none"> • RA 10708 (December 9, 2015), Tax Incentives Management and Transparency Act • Fiscal Incentives Rationalization bills filed in Congress; no clear Administration version supported by both DTI and DOF

6. Retain the Mining Act, and implement a competitive fiscal regime for mining	<ul style="list-style-type: none"> • Mining fiscal regime legislation pending in Congress
7. Resolve the high cost and inadequate of supply of power	<ul style="list-style-type: none"> • 2014-2030 Energy Efficiency Roadmap and its corresponding 2016-2020 Energy Efficiency Action Plan approved by the Energy Secretary in December 2015. The Action Plan is being implemented by the Energy Efficiency and Conservation Division of the Energy Utilization Management Bureau of the DOE. • Creation of the National Energy Council with government and private sector representatives endorsed during the Public-Private sector High Level Dialogue of the PBG-JFC and the Economic Development Cluster in October 2015.
8. Reform the judicial system	<ul style="list-style-type: none"> • RA 10660 (16 April 2015), Strengthening further the functional and structural organization of the Sandiganbayan
9. Revisit the restrictive provisions in the Constitution and in other laws	<ul style="list-style-type: none"> • RA 10641 (15 July 2014), Liberalizing the entry of foreign banks • Amendments to the FINL (Foreign Investment Negative List) covering adjustment, lending and financing companies, and investment houses still needs ratification by the House. • Resolution of Both Houses (RBH) 1 pending in Congress

In 2014, the PBG-JFC reiterated the call to address the issues spelled out during the previous year. In addition, there was emphasis on institutionalizing integrity and good governance, and achieving inclusive growth. To this end, the passage of Freedom of Information Act and the institutionalization of public-private cooperation in promoting integrity in governance were added to the specific recommendations. The business community likewise urged the formulation and implementation of agriculture roadmaps, as well as the measures that will increase the productivity and improve the welfare of farmers and fishersfolk.

As the Aquino administration entered its homestretch in 2015, the PBG-JFC focused on issues that require urgent attention and would ensure longevity of the reforms.

The same set of issues formed part of the agenda of the First Public-Private Sector High Level Dialogue (PPS HLD) of the Economic Development Cluster and the PBG-JFC. The conduct of regular dialogues was adopted as part of the Philippines' action plan to the Open Government Partnership (OGP), to be implemented from 2015 to 2017. The commitment establishes a joint public-private secretariat and institutionalizes regular and formal meetings between the government and the business community.

PBG-JFC Issues and Recommendations, 2015

Require Executive/Judicial Action	Legislative Measures
1. Appointment of CSC, DOE, PNP officials	1. Freedom of Information (FOI) Act
2. Establishment of public-private energy council	2. RBH 1 (economic cha-cha)
3. Establishment of agricultural training centers	3. Amendments to the BOT Law
4. Expansion of ease of doing business reforms	4. Amendments to the Right-of-Way Act
5. Revision of the Foreign Investment Negative List	5. Fair Competition Act
6. Fast track land, air and sea transportation projects	6. Department of Information and Communications Technology (DICT) Act
7. Resolution of Maguindanao massacre and PDAF scam cases	7. Customs Modernization and Tariff Act
8. Establishment of National Privacy Commission; IRRs of Data Privacy Act and Cybercrime Prevention Act	8. Comprehensive tax reform

From the list of eight legislative proposals, aside from the Competition Act, three more measures have been passed by both Houses, and will be up for the President's approval:

1. Amendments to the Right-of-Way Law
2. Creating the Department of Information and Communications Technology (DICT)
3. Customs Modernization and Tariff Act

During the High Level Dialogue, the creation of a National Energy Council was endorsed. Private sector inputs were also sought in order to optimize the budget for agriculture and to identify specific bottlenecks in the sector. It was also agreed that the government and private sector shall convene a working group to study and draft proposals that would streamline business processes, specifically with the following provisions:

- A common number system for government agencies
- A common valuation standard
- A unified system where application to one agency will be as good across other agencies

More public-private dialogues needed

While the 16th Congress has made strides in passing a number of pieces of legislation, there have been significant misses as well. The anticipated Freedom of Information Act and the Bangsamoro Basic Law will both have to take another shot at passage during the next administration. Likewise, the Land Use Code, Land Administration Reform Bill, Rationalization of Fiscal Incentives, and the PPP Act, among others will also have to go back step one in the 17th Congress.

Absent the formal convening of the LEDAC, both Congress and the business sector were innovative in coordinating amongst each other. The PBG-JFC separately met with House Speaker Sonny Belmonte and Senate President Franklin Drilon, along with the heads of respective committees in 2014, to discuss and resolve issues that may be legislative in nature. The meeting of the private sector

with the House leadership has been a regular activity since 2008. Even between the two chambers, Senate President Drilon and Speaker Belmonte initiated the monthly congressional leaders' caucus on May 2014. The mechanism has proven to be effective in aligning the legislative agendas of the two chambers.

However, the value of having an established mechanism of consultation and coordination, such as what the LEDAC provides, cannot be discounted. It has been seen in previous administrations that a significant number and quality of strategic reform measures were enacted when both the Executive and Congress sit and agree on a common agenda. Within this mechanism, current controversies, such as the President's veto of the law increasing SSS pensions would have been avoided.

For the PBG-JFC, the conduct of a regular high level dialogue with the Cabinet and with the leadership in Congress enables the private sector to provide inputs to and have greater buy-in on government policies and programs. This would result to improved public service delivery, which ultimately brings the country closer to the shared goal of inclusive growth through job generation, poverty reduction and global competitiveness.⁵

The **CongressWatch Report** is a regular publication of the Makati Business Club. Its main mission is to promote accountability and transparency of elected government officials. For inquiries, suggestions, and additional information, please call CongressWatch at telephone nos. 751-1143 to 45 or email patrick.chua@mbc.com.ph.

Project Coordinator
Patrick D.P. Chua

Editor
Paolo B. Monteiro

Design & Layout
Robi F. Del Rosario



⁵PBG-JFC letter to President Aquino dated 15 May 2015.